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ROMANIAN PRESIDENCY OF THE COUNCIL OF THE EU

Priorities for January to June 2019
A Weber Shandwick Guide
18 December 2018



FOREWORD BY GEORGE CIAMBA MINISTER DELEGATE FOR EUROPEAN AFFAIRS

On the 1st of January 2019, Romania will take over the Presidency of the Council of the European Union for the first time. Given the complex current European and global context, the future path of the European Union will require an in-depth look in this first half of 2019.

Romania will focus on important political dossiers during its tenure, which will be an intense period marked by Brexit, the end of the ongoing reflection process on the future of Europe, the elections for the European Parliament, and the negotiations regarding the Multiannual Financial Framework for 2021–2027. In such a challenging context, Romania’s mandate at the helm of the Council of the EU will be shaped by an ambitious, yet realistic and pragmatic way of thinking.

At EU level, the Romanian Presidency aims to promote unity and cohesion through joint efforts with other Member States and EU institutions. With strategic thinking, unanimous action and strong political will, we hope that our efforts will contribute to building a stronger Europe, especially in view of the Sibiu Summit taking place on the 9th of May 2019.

We have centered our Working Programme around the cohesion principle, as enshrined in the EU Treaties. Consequently “Cohesion as a European common value” has become the motto guiding our mandate. This is a horizontal issue that touches upon a series of important objectives, especially the need for common approaches and jointly assumed initiatives. We have included this principle in all the four pillars of our Presidency Programme.

The first of these pillars is focused on the essentials of a converging Europe: sustainable development and bridging regional and socio-economic differences, cohesion, employment and social rights, innovation and digitization, interconnectivity, and competitiveness for a stronger Internal Market.

The Romanian Presidency will advocate for real economic and social convergence to benefit European citizens. While promoting social cohesion, we will focus on preserving the four fundamental freedoms of the Internal Market.

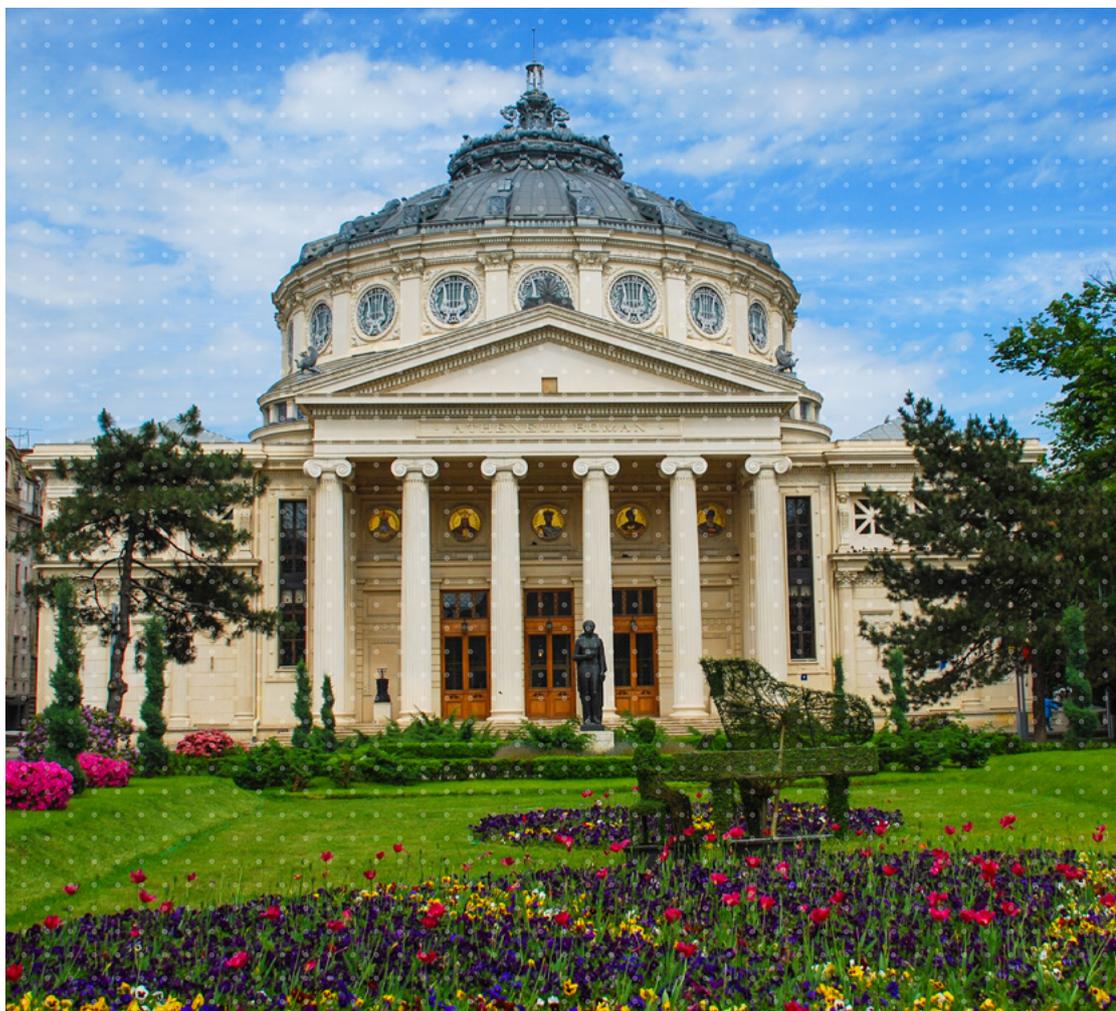
We will also focus on implementing the European Pillar of Social Rights and promoting inclusive education, equal opportunities and access to the labour market, fair working conditions and social inclusion, as well as increased mobility of the labour force. Romania has consistently advocated for the integrity of a Single Market that benefits all citizens fairly - an essential element for economic and social cohesion.



Acknowledging that the EU faces a wide range of risks that challenge the security of our societies and the safety of our citizens, the Romanian Presidency will focus on ensuring a safer Europe through a cohesive response to such challenges, as part of the second pillar of our Working Programme. Likewise, we will seek to advance common efforts aimed at making the Union a stronger global actor, ensuring the continuity of the EU actions on neighbourhood and enlargement policy. This requires political will to advance implementation of the Global Strategy, providing the EU with appropriate external action instruments and preserving common engagement towards candidate countries, potential candidates, and partners in the vicinity.

Last but not least, the Romanian Presidency will further promote EU common values and principles. We strongly believe that all policies and actions should be underpinned by this approach, and that greater focus on fighting discrimination and promoting gender equality could serve to this important objective. We will pay particular attention to initiatives focused on reducing social disparities, ensuring equal opportunities and equal treatment between men and women, and access to education and training for those from disadvantaged backgrounds.

Advancing the European project should be done with a united, inclusive and open approach. To boost citizens' trust in the EU, we must reinforce the message that there can only be one Union. Romania is fully aware of the challenges that lie ahead. In taking over the Presidency of the Council as of January 2019, we intend to showcase our commitment towards building a stronger and more cohesive Europe.





INTRODUCTION

From 1 January to 30 June 2019, Romania will hold the six-month presidency of the Council of the European Union (EU) for the first time ever. Romania will be responsible for launching a new phase of the European project. With Brexit set to occur in March and European elections scheduled for the end of May, it's all change for the European Union.

Romania's mandate begins a new Trio of Presidencies, with Finland and Croatia set to follow. The country will need to tackle a crowded agenda within an uncertain political environment.

This Presidency will encompass four key milestones – each with its own set of challenges:

- Concluding the **Brexit** process: the two-year negotiation period for the United Kingdom's exit from the EU will expire in March 2019, with Bucharest needing to oversee the last stretch of discussion. Once Brexit has occurred, Romania's sway in the EU decision-making process will increase.
- **European Parliamentary elections** in May 2019: while observers are predicting strong results for right-wing populist and Eurosceptic parties, Romania will be focused on trying to wrap up negotiations on over 200 political dossiers before the last session of the current Parliament takes place on 18 April 2019.
- Finalising negotiations on the new **Multiannual Financial Framework (MFF) for 2021-2027**: despite being a net recipient, Romania will need to mediate deep divisions between Member States over the future EU budget – against the clock, given the upcoming elections.
- Hosting the **Sibiu Summit**: as the first post-Brexit EU Summit and the final milestone of the Juncker Commission, this high-level meeting will be key to determining the next European Commission's working programme, as well as EU leaders' strategic agenda for the next five years. This gives Romania a chance to steer strategic debates about the future of the European project.

RELEVANT DATES

10 January

Opening Ceremony, Bucharest

10-11 January

Visit of the College of Commissioners to Bucharest

21-22 March

European Council, Brussels

29 March

Withdrawal of the UK from the EU

18 April

Last session of the outgoing European Parliament, Strasbourg

9 May

European Council Summit, Sibiu

23-26 May

European Parliament Elections

20-21 June

European Council, Brussels



During the same period, Romania will also hold the reins of the **Presidency of the European Union Strategy for the Danube Region (EUSDR)**, one of four EU level macro-strategies aimed at boosting the Danube Region's development. The EUSDR's motto, "Strengthening cohesion for common prosperity in the Danube region", mirrors the wider Presidency's focus and reinforces the role of cohesion as a basis for the development of European regions.

The upcoming Presidency's work priorities fall into four categories:

1. Converging Europe: growth, cohesion, competitiveness, connectivity

2. A safer Europe

3. Europe, a stronger global actor

4. Europe of Common Values

Holding the Presidency of the Council represents both opportunities and challenges for Romania. As a country that last year had one of the highest levels of economic growth in Europe, Romania is keen to become active in reshaping and reviving macro-regions, as well as **promoting policies to drive growth at EU level**.

Romania also intends to build upon the Austrian and Bulgarian Presidencies' work, with a specific focus on promoting security and tackling challenges relating to **border protection** and the **Schengen area of free movement**. Not yet a Schengen member, Romania has an opportunity to show other Member States that it can contribute to the effective management of Europe's external borders. At a global level, the Presidency will work to ensure consistency on **EU neighbourhood policy**, with a focus on the Eastern Partnership. This will come in tandem with promoting **solidarity** and ensuring **equal opportunities** for everyone in the region.

We hope the following analysis of the Romanian Presidency's priorities for the next six months proves helpful. Please note that all dates included in this guide are taken from the Presidency's latest draft calendar and are subject to change.





BANKING, CAPITAL MARKETS AND TAXATION

The Romanian Presidency faces a daunting challenge in the area of financial services: to advance negotiations on around 28 legislative proposals before the end of the current EU legislature and to avoid several highly technical dossiers falling into the remit of the next Parliament – which will only begin its work in summer 2019.

On banking, following the agreement reached at the beginning of December by the Austrians on the **Risk Reduction Package** and on the details for the **set-up of a common backstop to the EU's single resolution fund** for failing banks, negotiations will also continue next year on the risk sharing proposals, in the context of broader plans to reform the European Monetary Union (EMU). These will include the establishment of a high level group to advance talks on the **European deposit insurance scheme**, which will report back to Ministers in June 2019.

Still related to risk reduction, the Council has agreed to fast track the “prudential backstop” measures, part of the **Non-Performing Loans (NPL) package** amending EU capital requirement rules. A position on this was reached at the end of October. As the Parliament recently agreed to prioritise these elements, trilogue negotiations may well begin under the Romanian Presidency. However, rules on out-of-court dispute settlement proposals for NPLs remain under separate negotiation at Working Party level. On the proposal for a Regulation on **Sovereign Bond-Backed Securities (SBBS)**, the Rapporteur in the European Parliament released a first draft report last October but EU Member States remain sceptical. Given the current context of significant differences in interest rates, many fear the introduction of SBBS could lead to fiscal mutualisation or risk-sharing among EU Member States.

Work will also continue to advance on the Commission's **EU Covered Bonds Framework** proposals. The Parliament recently published its initial draft report while the Council has already agreed its stance. On retail finance and the **EU Fintech** and **Consumer Financial Services Action Plans**, trilogue negotiations on the **EU Cross Border Payments Regulation and currency conversion rules**, as well as the **Pan-European Personal Pension Product (PEPP)** will likely continue, including technical discussions on the **Commission's proposals for crowdfunding platforms**. Meanwhile, the European Commission will continue working on the **evaluation of the Consumer Credit Directive**.

On **Capital Markets and investments**, many proposals are still under negotiation. MEPs and Member State experts will be closely scrutinising the proposed legislation reviewing the **European Supervisory Authorities (ESA) framework**, which includes specific **amendments to MiFID and Solvency II rules**. The Council has significantly edited the proposed text as Member States are opposed to handing over power to the EU's financial watchdogs. This could trigger a conflict with MEPs in eventual trilogues next year. Negotiations will also continue on an upgrade of **EU rules on anti-money laundering**, which were tabled last September in response to a series of dirty-money scandals that

RELEVANT DATES

21 January

Eurogroup meeting, Brussels

22 January

Economic and Financial Affairs Council, Brussels

29 January

Directorate-General for Economic and Financial Affairs Workshop: Fiscal policy in an uncertain environment, Brussels

29 January

European Economic and Social Committee Public Hearing: Taxation in the digital economy – which way forward, Brussels

11 February

Eurogroup meeting, Brussels

12 February

Economic and Financial Affairs Council, Brussels



RELEVANT DATES

11 March

Eurogroup meeting, Brussels

12 March

Economic and Financial Affairs Council, Brussels

5-6 April

Informal Economic and Financial Affairs Council, Bucharest

16 May

Eurogroup meeting, Brussels

17 May

Economic and Financial Affairs Council, Brussels

13 June

Eurogroup meeting, Luxembourg

14 June

Economic and Financial Affairs Council, Luxembourg

KEY WS CONTACT

EMANUELE MANIGRASSI

Senior Associate

E: emanigrassi@webershandwick.com

exposed a blind spot in EU banking supervision. The European Parliament recently agreed to introduce these new proposals into the ESA Review in order to simplify the two work streams while in early December, the Council agreed an Action Plan with a set of short term measures.

On the **European Market Infrastructure Regulation (EMIR)**, the Romanians will likely continue to chair technical discussions on the simplification of the rules, as well as initiate trilogue negotiations with the Parliament on reforming the rules for **EU Central Counterparty (CCP) supervision**.

Finally, examination of the first package of **legislative proposals on sustainable finance** will continue. The Romanian Presidency will want to advance Working Party level negotiations on the Commission's proposal on **Environmental, Social and Governance (ESG) investment disclosures**, as well as on the **Low Carbon Benchmarks Regulation** in order to begin inter-institutional negotiations with the Parliament. With regards to the so-called **Taxonomy Regulation**, the Parliament only recently released its first draft report and aims to vote its position in Committee towards the end of February next year. In Council, limited progress has been made so far. Should the pace of talks remain unchanged, negotiations may carry into the next EU legislature despite the Commission's desire for a swift agreement. Similarly, technical work with stakeholders will also continue within the ad hoc expert group and a new dedicated sustainable finance unit within DG FISMA. As part of its commitment to providing companies with clarity on ESG disclosures, the Commission is also due to **finalise a fitness check of corporate reporting rules**, which may include the release in Summer next year of an upgrade to the EU guidelines on the non-financial reporting Directive.

On taxation, negotiations may continue on the Commission's Fair Taxation agenda for the Digital Economy. On VAT, technical discussions on modernizing the VAT system will continue (with proposals like implementing rules on e-commerce, a special scheme for SMEs, VAT relevant payment data). The definitive EU VAT regime is complicated from a technical point of view and there are no expectations to have the file closed by the Romanian Presidency. Chances are high, however, that Romania will be able to close a separate file - on the excise of duties package - as well as updating the EU List of Non-cooperative jurisdictions for tax purposes.

Two files currently at a standstill are the proposals for a **Common and Consolidated Corporate Tax Base (CCCTB)** and the relaunch of an **EU-wide Financial Transaction Tax (FTT)**.





MULTIANNUAL FINANCIAL FRAMEWORK

In May 2018, the European Commission proposed a new **Multiannual Financial Framework (MFF)** for the period 2021 to 2027. The proposed budget is almost identical to that of the previous period: €1135 billion for 2021-2027 compared to €1134 billion for 2014-2020. However, there are key shifts within the budget's structure and policy priorities. Proposals foresee significant cuts to cohesion policy and agriculture funding, while allocations to migration and borders, research and innovation, and support for young people have increased considerably.

Achieving a political agreement on the MFF will require delicate piloting. Romania deems the need for 27 Member States to bridge the Brexit budget deficit as the biggest challenge during their Presidency. As a mediator, Romania will seek to avoid division between net contributors and net recipients, as well as Euro and non-Euro Member States.

Romania's goal is to prevent a recurrence of what happened during previous EU budget negotiations, when EU funds implementation started late because of delays in the adoption of the legal provisions. The Romanian Presidency will do its utmost, in collaboration with other upcoming Presidencies, to ensure that the new legislative framework for cohesion policies is in place by 1 January 2021.

Romania will seek for consensus among Member States in order to preserve the relative share of **Cohesion Policy and Agricultural Policy** in the EU budget post-2020. It sees cohesion policy as the most important European investment policy and a key driver for growth and job creation across all EU regions. Moreover, Romania perceives the Common Agricultural Policy (CAP) as an essential means for reducing disparities in development, and thus, aims for maintenance of the present CAP budget in the Agriculture and Fisheries Council.

While cohesion and agricultural policies are important for Romania, the Presidency also supports larger budget allocations to strategic domains including **defence, security** and **migration**. To this end, Romania advocates for an increase in Member States' contributions.

RELEVANT DATES

22 January

Economic and Financial Affairs
Council, Bucharest

12 February

Economic and Financial Affairs
Council, Bucharest

12 March

Economic and Financial Affairs
Council, Bucharest

5-6 April

Informal Economic and Financial
Affairs Council, Bucharest

17 May

Economic and Financial Affairs
Council, Brussels

14 June

Economic and Financial Affairs
Council, Luxembourg

KEY WS CONTACTS

ROMINA GIOVANNETTI

Associate Director

E: rgiovannetti@webershandwick.com

THOMAS WORACK

Associate

E: tworack@webershandwick.com





RELEVANT DATES

W/c 14 January

British Parliamentary vote on the Withdrawal Agreement

W/c 11 March

European Parliament to vote on Brexit deal in Plenary

March (TBC)

Council of the EU to endorse Brexit deal after Parliamentary approval

29 March (TBC)

Two-year deadline for finalising the Brexit negotiations

KEY WS CONTACT

CHRISTIAAN GEVERS DEYNoot

Manager

E: cgeversdeynoot@webershandwick.com

ADRIÁN GARCÍA-ESTEVE

Senior Associate

E: agarcia-esteve@webershandwick.com

The UK is set to leave the EU on the evening of 29 March 2019. Having joined in 1973, the UK will officially become a third country two years exactly after it notified the European Council of its intention to initiate the withdrawal process of Article 50 of the Treaty on European Union (TEU). The UK will cease to be a Member State during the Romanian Presidency, which will therefore see the start of negotiations on a new relationship with the EU. Romania ranks post Brexit negotiations with the UK as a key priority. Viewing the UK as a third country represents a semantic shift of profound meaning.

The EU27 leaders endorsed the **draft Withdrawal Agreement** and **draft Political Declaration** on the framework of the future EU-UK relationship on 25 November. The UK Parliament will have to decide whether to ratify the draft Withdrawal Agreement. Should MPs reject the deal, there are multiple scenarios for what may happen next, all of which taking place during the first critical months of the Romanian Presidency. This includes an extension of the Article 50 TEU negotiating deadline, general elections in the UK, a second referendum or a so-called 'hard' Brexit.

If the UK Parliament ratifies the Withdrawal Agreement, Romania will preside over the Council meeting immediately following the European Parliament's own vote on the Brexit deal, expected in the week of 11 March 2019. The European Parliament has the power to give or not its consent to the agreement, but not to amend the text of the Withdrawal Agreement. After the European Parliament's consent, the Council of the EU will have to conclude the deal before it can enter into force. A so-called supermajority is required for Council adoption, meaning that the total of votes in support must represent at least 20 Member States and 65% of the total EU population.

Assuming the Withdrawal Agreement is ratified, negotiations on an **agreement for the future EU-UK relationship** are expected to start as from April 2019. These will be based on the guiding principles of the aforementioned Political Declaration. At present, there has been agreement on a 21-month "transition" period from 30 March 2019 to December 2020, which could be extended once for one to two years. During the transition, most aspects of the UK membership of the EU will remain in place, but without the right to vote on EU policy.





DIGITAL ECONOMY AND SOCIETY

The Romanian Presidency envisions a **collaborative and connected Europe**. In April 2018, Bucharest launched its National Strategy for the Digital Agenda for Romania 2020. This focuses on ensuring access to electronic public services, increasing high-speed electronic broadband communications network coverage, and promoting e-commerce. Romania has also committed to promoting its Open Data Policy and advancing the digital transition of public services. The incoming Presidency's programme emphasises the importance of improving **access to online content**, developing **digital education and skills**, supporting **research and innovation**, advancing **e-justice**, and reaping the benefits of the **collaborative economy**.

Romania's top digital priority is strengthening **Europe's cybersecurity and resilience**, and advancing international cooperation in this field. Romania recognises the importance of joint action with NATO and the United States in this area, but it is also keen to advance Europe's Cybersecurity Strategy and unify responses to intra- and extra-EU cyber threats. The Working Party on Cyber Issues is expected to make progress on a Regulation on a European Cybersecurity Competence Centre and the Network of National Coordination Centres as proposed in September 2018.

Romania also inherits a dense list of Digital Single Market (DSM) dossiers to be finalised before the European Parliament elections next May. All pending legislative files are important as each aims to contribute to enhance the benefits of data economy, bringing added value to the European citizens and companies. One of the most prominent outstanding proposals, the **Copyright Reform**, will require intensive work, as the three European institutions are fundamentally divided on several issues related to the use of copyright-protected content by online platforms. The Romanian Presidency's preliminary programme makes commitments to finalising negotiations and providing a reliable protective framework to creative and publishing industries.

RELEVANT DATES

7-8 February

Informal Justice and Home Affairs Council, Bucharest

18-19 February

Competitiveness Council, Brussels

1 March

Informal meeting of telecommunications ministers

8 March

Justice and Home Affairs Council, Brussels

March (TBC)

Presentation of the AI Ethics Guidelines towards Trusted AI

March (TBC)

Ministerial Eastern Partnership meeting on the harmonization of the digital markets, Bucharest

19 March

10th Edition of the European Robotics Forum, Bucharest



RELEVANT DATES

27-28 MAY

Competitiveness Council,
Brussels

June (TBC)

First review of the General Data
Protection Regulation

June (TBC)

Digital Assembly, Bucharest

6-7 June

Transport, Telecommunications
and Energy Council, Luxembourg

6-7 June

Justice and Home Affairs Council,
Luxembourg

13-14 June

Annual Privacy Forum, Rome

In the consumer policy field, Romania will pick up the steering of pending dossiers including the **New Deal for Consumers** and its Directives on collective actions and digital consumer rights. As it is often the case in consumer protection matters, Member States have taken much time to discuss the level of harmonisation and provisions with cross-border effect. Delegations faced similar difficulties when negotiating **contract rules for online and other distance sales of goods**. With Member States now moving closer to an agreement, Romania is expected to lead trilogue discussions as of January.

Bucharest will also play a fundamental role in finalising the **Directive on the re-use of public sector information**, as well as the proposed **Regulation on platform-to-business relations**. Trilogue discussions on the latter are expected to begin as early as December 2018, while Austria still holds the Presidency.

Romanians will have less to do on the most recent DSM proposals. This is because while the Council accelerated work on the proposed **Regulation tackling terrorist content online and e-Evidence package**, the Parliament has opted to extend negotiations on the former while postponing its work on the latter until after the May elections.

KEY WS CONTACTS

ANNA TOBUR

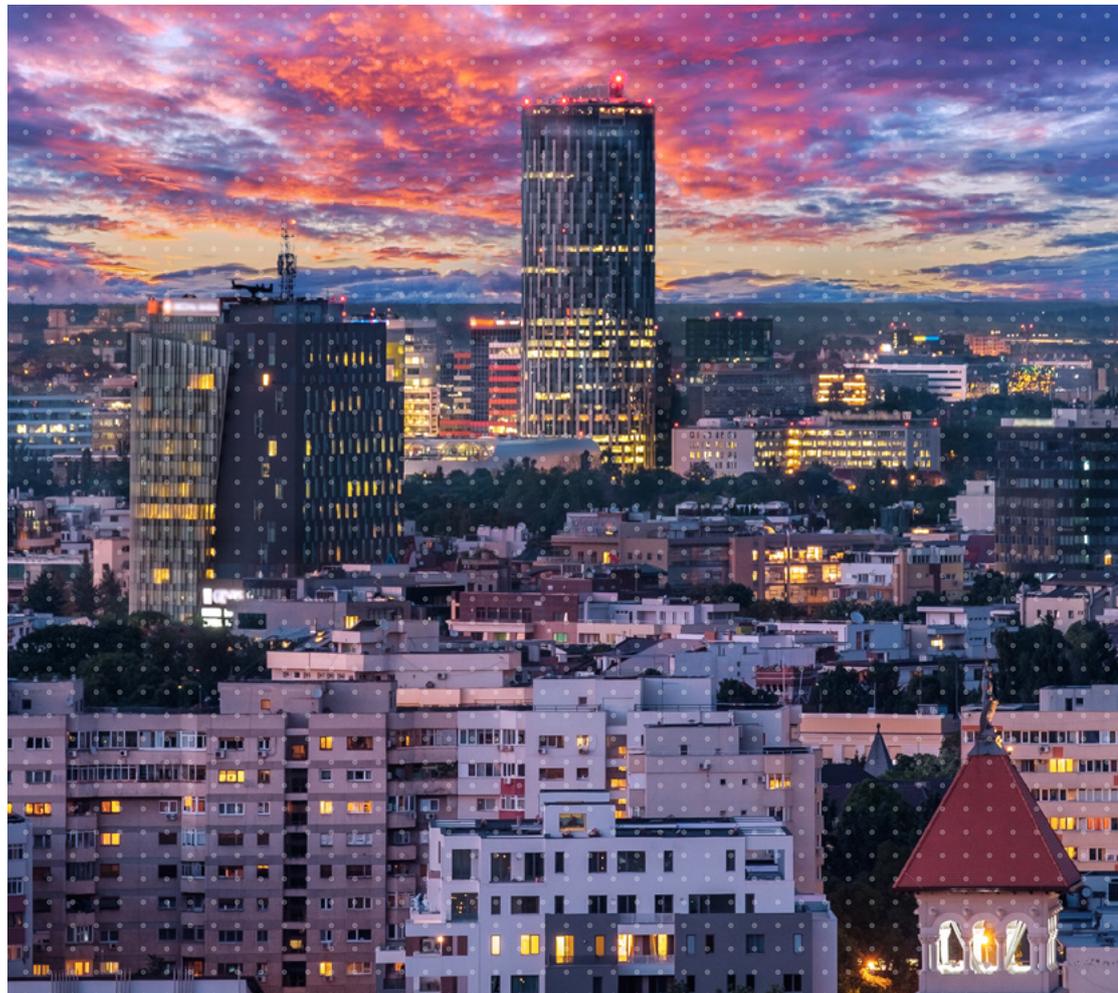
Account Director

E: atobur@webershandwick.com

CLAUDIA TRIVILINO

Manager

E: ctrivilino@webershandwick.com





INTERNAL MARKET, INDUSTRY AND RESEARCH

The Romanian Presidency will **continue to be a promoter of the Single Market** and is set to organise debates on this subject, ranging from current achievements to the impact of the most recent Commission Communication on the Single Market.

Romania will work towards finalising legislative initiatives, such as the proposal for a Regulation establishing the **Single Market Programme**. This is part of the Multiannual Financial Framework (MFF), which has an impact on the competitiveness of the Single Market, on European SMEs and on industry. The Romanian Presidency will work to advance negotiations with the European Parliament on this file.

The Presidency will also aim to finalise negotiations on the proposal for a **Regulation on Platform-to-Business**, while promoting fairness and transparency in the market of online intermediated services.

With regard to the Single Market for goods, the Presidency intends to reach an agreement with the European Parliament on the **proposal for a Regulation laying down rules and procedures for compliance with and enforcement of Union harmonisation legislation on products**.

The Romanian Presidency also named the modernisation of EU company law as one of its priorities, as a means to incentivise the smart economy and the mobility of companies.

Bucharest will continue to promote the systematic integration of industrial competitiveness within all sectoral policies, which is of utmost importance for maintaining EU global competitiveness.

The Romanian Presidency will organise debates on European industry, to which SMEs are integral, with a view to adopting a policy vision for 2030. This will take into consideration the diversity of the current industrial base, while also capturing the opportunities of digitalization, innovation, decarbonisation and circular economy. The Presidency intends to gather views on these files during the European Industry Days on 5-6 February 2019.

RELEVANT DATES

5-6 February

European Industry Days

18 February

Competitiveness Council,
Internal market and Industry,
Brussels

19 February

Competitiveness Council,
Research, Brussels

3 April

Informal Competitiveness
Council, Research, Bucharest

May

High-level conference on
sustainable development at the
Black Sea, Bucharest

2-3 May

Informal Competitiveness
Council, Internal market and
Industry, Bucharest



RELEVANT DATES

27 May

Competitiveness Council,
Internal market and Industry,
Brussels

28 May

Competitiveness Council,
Research and Space, Brussels

June

Marie Skłodowska -Curie
Conference 2019

KEY WS CONTACTS

LUIS CERVILLA

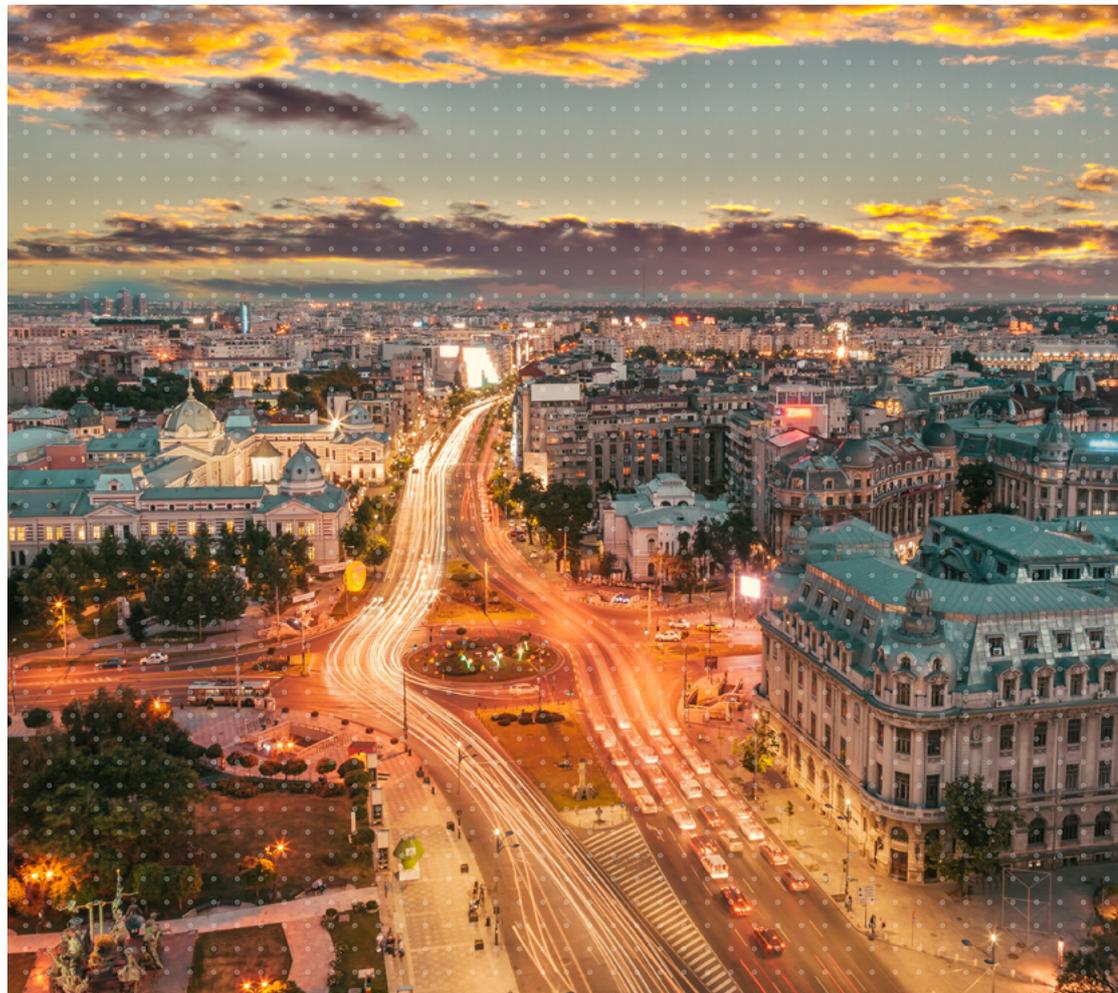
Account Director
E: lcervilla@webershandwick.com

The Romanian Presidency will also continue the work started by the previous presidency on **Artificial Intelligence and robotics**, with the analysis of the Coordinated Plan on Artificial Intelligence in Europe having been recently adopted by the European Commission.

In Research and Innovation, one key priority will be finalising negotiations on the two legislative acts of the Commission's proposal for a **new Horizon Europe Framework Programme for Research and Innovation**.

Developing a European Strategic Framework for collaboration in research and innovation in the Black Sea region is another highlight on the Romanian Presidency Agenda. Romania will host a **high-level Conference on Sustainable Development at the Black Sea**, in Bucharest in May 2019. A Strategic Research and Innovation Agenda is envisaged to be adopted as a result of the Conference, which will be the base for a common European cooperation framework in the Black Sea region.

The current global environment, whether economic, political or social, is continuously changing and to ensure a proper evolution of space technologies and services. Hence, the Romanian Presidency will focus on developing the EU Space Programme as part of the Multi-Annual Financial Framework 2021-2027, aiming to reach a partial agreement with the European Parliament during its mandate.





ENERGY

RELEVANT DATES

Q1 2019

Report on the strategic action plan on batteries

4 March (TBC)

Energy Council, Brussels

2 April 2019

Informal Energy Council, Bucharest

25 June

Energy Council, Luxembourg

KEY WS CONTACTS

LUIS CERVILLA

Account Director

E: lcervilla@webershandwick.com

VIKTOR BORECKÝ

Associate

E: vborecky@webershandwick.com

While nearly all Clean Energy Package files have been finalised, some elements of the package remain for the Romanian Presidency to drive. For instance, should the Austrian Presidency fail to reach deals on the **Electricity Market Regulation** and **Electricity Market Directive**, Romania will need to take these over.

The Romanian Presidency will also likely bring a new perspective to debates on the **revision of the Gas Directive**. Previous Presidency holders were somewhat reluctant to engage in this, preferring to maintain discussions at a technical level.

The Presidency will also need to ensure a smooth transition of the energy sector post-Brexit. Released in November, a proposal to adjust the EU's **energy efficiency target to account for the UK's departure** will fall under the Romanian Presidency's remit. The Presidency must also address the Council's position on some implementing files. For instance, the Commission is expected to publish a delegated act setting out criteria for **certification of low indirect land-use change-risk** biofuels by 1 February 2019, as part of the revised Renewable Energy Directive. This will touch upon controversial issues, including limits on the use of palm oil for biofuels production, which the Council may take a stance on. The Commission is also expected to release a **Report on the strategic action plan on batteries** as part of its **Fourth State of the Energy Union**, outlining what steps have been taken to make Europe a leader in the area of battery storage.

The Romanian Presidency will seek to make progress on other files pending adoption, such as the new Connecting Europe Facility Regulation. Finally, a key non-legislative development that the Romanian Presidency will likely consider is the Commission's **Future of Energy and Climate policy** communication, expected by early next year together with the **EU Strategy for long-term EU greenhouse gas emissions reductions**.





RELEVANT DATES

5 March

Environment Council, Brussels

20-21 May

Informal Environment Council,
Bucharest

26 June

Environment Council,
Luxembourg

KEY WS CONTACTS

LUIS CERVILLA

Account Director

E: lcervilla@webershandwick.com

CHRISTIAAN GEVERS

DEYNOOT

Manager

E: cgeversdeynoot@webershandwick.com

Climate policy will be at the top of the Presidency's agenda. With Bucharest taking the helm only a few weeks after the conclusion of COP24 in Poland, Romania will need to wrap up various EU legislative files on the decarbonisation of transport, while also defining the EU's long-term climate policy. Reconciling international commitments, diverse internal interests, and Romania's own national and regional priorities will be an immense challenge.

The country is expected to prioritise price and accessibility in this regard. Given its substantial oil industry, its large auto industry, and the significant cost involved with the energy transition, Romania will seek out compromises that take account of all Member States' interests. The country has set its sights on nuclear power as a good low-carbon solution, while also developing new natural gas resources in the Black Sea and retaining a stake in coal.

The Presidency will need to manage Council discussions of the new **draft strategy for long-term EU greenhouse gas emissions reductions 2050**, presented by the Commission at the end of November. Given its implication for multiple sectors, the strategy will likely be discussed in various Council configurations, from energy and environment, to transport and competitiveness. Romania's position is that other large global emitters must do their part and reciprocate the EU's ambitious targets. Each EU Member State will submit draft integrated National Energy and Climate Plans to the Commission by 31 December, outlining what measures it will take to reach the 2030 energy and climate targets. Romania will therefore be submitting its national plan at the same time as it begins to guide the EU on climate matters for the next six months.

This debate is mirrored in legislation introducing **CO₂ emission performance standards for trucks** and other heavy-duty vehicles, which is a first for the EU. There is a clear divide between progressive countries that want to maximise the environmental benefits of more efficient vehicles and those seeking to provide the industry with sufficient margin to manage the structural transitions and required workforce changes.





TRANSPORT

RELEVANT DATES

26-27 March
Informal Transport Council,
Bucharest

6 June
Transport Council, Luxembourg

KEY WS CONTACTS

NILS DRESSEL
Manager
E: ndressel@webershandwick.com

JÚLIA SCHVARCOVÁ
Senior Associate
E: jschvarcova@webershandwick.com

In order to participate in global emissions reduction efforts, the Romanian Presidency will push for an agreement on the revision of the **Clean Vehicles Directive**, which defines what can be considered a clean vehicle and requires public authorities to procure a certain quota of them. This aims to create more market demand by requiring, for instance, that public bus fleets run on alternative fuels.

As a country still developing its transport infrastructure, Romania will work towards ensuring sufficient EU funding for this purpose under the next long-term budget. This includes advancing negotiations on the new **Connecting Europe Facility** that finances cross-border infrastructure, as well as establishing funding for **alternative fuels infrastructure**, such as electric vehicle charging points, which is still lacking across Eastern Europe.

The Romanian Presidency will seek to promote transport via **inland waterways** as an ecological form of transport, following up on the Council Conclusions prepared by the Austrian Presidency and implementing the Commission's NAIADES II action plan. From 1 November 2018 to 30 October 2019, Romania will also hold the Presidency of the **EU Strategy for the Danube Region** – a region it plans to revitalise as a key inland transport corridor. In addition, Bucharest will focus on advancing legislation on the **European Maritime Single Window Environment**. The latter will harmonise the legal reporting requirements that ships must fulfil when calling at or leaving a port, reducing the time shipping operators spend on reporting.





ENVIRONMENT

RELEVANT DATES

5 March

Environment Council, Brussels

11-15 March

4th session of the United Nations
Environment Assembly

20-21 May

Informal Environment Council,
Bucharest

26 June

Environment Council, Luxembourg

KEY WS CONTACTS

ROMINA GIOVANNETTI

Account Director

E: rgiovannetti@webershandwick.com

EMANUELE MANIGRASSI

Senior Associate

E: emanigrassi@webershandwick.com

Romania attaches great importance to **biodiversity** and the Presidency will therefore promote it both at national and international level. The Romanians see the need to ensure adequate financing for biodiversity protection as being of crucial importance for achieving the EU and the Convention on Biological Diversity (CBD) relevant targets. From this perspective, the **LIFE Programme**, which has long provided concrete financial opportunities for biodiversity, is of utmost importance for the Romanians who intend to advance as much as possible the negotiations in this area.

The Romanians will also prioritise water management, in line with measures announced in the Commission's Circular Economy Action Plan. This includes advancing the negotiations on **the review of the Drinking Water Directive**, as well as on the **new Regulation on minimum quality requirements for water reuse**. The former, which was proposed by the Commission as follow-up to a European Citizens' Initiative, seeks to improve the quality of and access to drinking water, whereas the latter aims to address water scarcity by ensuring the safety of re-used water in agricultural irrigation.

The Romanians will place emphasis on strengthening the **environmental dimension of the 2030 Agenda for sustainable development**. Here, the Presidency wants to work towards the development of a high value-added circular economy, while fostering competitiveness, eco-innovation, and the creation of "green" jobs.





TRADE

RELEVANT DATES

21-22 February

Informal Trade Council,
Bucharest

28 May

Trade Council, Brussels

The current global trade environment is characterised by an opposition between increased unilateralism and efforts to shore up the multilateral trade system; quick fixes to address trade surpluses; sanctions-driven trade policies and attempts to agree ambitious Free Trade Agreements (FTAs) while acknowledging the need to reform the rules-based trading order. External actors are increasingly taking the EU to task over trade – and this will remain the case during the Romanian Presidency.

The Romanian Presidency will chair the Trade Policy Committee, which is composed of Member State representatives and supports the Commission in international trade negotiations. The Presidency is expected to prioritise enhancing engagement in the global trade environment, pushing the multilateral trade agenda, and promoting a new approach to investment protection, especially as regards the establishment of the Multilateral Investment Court (MIC).

Reforming the World Trade Organization (WTO) is now considered an urgent priority. The U.S. has threatened to withdraw from the WTO, which would jeopardise the post-WWII trading order. They are also preventing the appointment of new judges to the WTO's dispute settlement Appellate Body – as a result, the latter is now operating with only three out of seven judges. The Commission is working with a global coalition of “progressive” countries to agree reform proposals, while also working with the U.S. and Japan on a set of proposals to address concerns about WTO rules on the notification of subsidies, technology transfers, and support to state-owned companies.

Trade talks with the U.S. are currently focused on the elimination of tariffs, non-tariff barriers, and subsidies on industrial goods, excluding cars. Another strand of negotiations seeks to find opportunities for regulatory cooperation. During the Romanian Presidency, the Council may be asked to agree negotiating Directives for the Commission – something which is considered contentious. The U.S. is adamant about including the agriculture sector, but many EU Member States oppose this. In



KEY WS CONTACT

CHRISTIAAN GEVERS DEYNOOT

Manager

E: cgeversdeynoot@webershandwick.com

In addition, should the U.S. introduce tariffs on EU cars, the Council will be asked to approve rebalancing measures.

Other bilateral trade developments of importance include finalising the **ratification procedures for the trade agreement with Japan, and the trade and investment deals with Singapore and Vietnam**. It is also likely that the EU-Mexico agreement will enter formal Conclusions stage during the Presidency, meaning that Council will have to adopt a position on the text. The Presidency will also be tasked with supporting ongoing negotiations with Indonesia, Chile, Australia, China, New Zealand, Tunisia, and the Mercosur bloc, as well as developing a new framework for relations with the African, Caribbean and Pacific (ACP) countries.

There are fewer specific trade policy proposals on the Presidency's agenda. Files which may progress include upcoming trilogue negotiations on the **proposal for a new Regulation on the export control of dual-use items**, which is still stalled in Council.





FOREIGN AFFAIRS AND SECURITY

The Romanian Presidency inherits a complex geopolitical context: tremors in the foundations of the multilateral order, a shift from U.S. global leadership to multi-polarity, global power vacuums, illiberal actors expanding their spheres of influence, and increased general uncertainty. While a Council Presidency has limited scope to influence EU foreign affairs policy, the current context and proposals on the table present an opportunity to position the EU as a global champion of the rules-based international order.

RELEVANT DATES

21 January

Foreign Affairs Council, Brussels

31 January-1 February

Informal Foreign Affairs Council,
Romania

18 February

Foreign Affairs Council, Brussels

18 March

Foreign Affairs Council, Brussels

8 April

Foreign Affairs Council,
Luxembourg

7 May

10th anniversary of the Eastern
Partnership

Romania aims to ensure that the EU speaks with one voice on the international stage. However, given the recent cooling of EU-U.S. relations, the EU will be hard-pressed to maintain a robust and coherent policy towards international actors such as China, Russia, Ukraine, Venezuela, Syria, and the Middle East more broadly. This plays out in the prolongation of **sanctions on Russia**, finding a unified response to **China's Belt and Road Initiative**, and dealing with the Trump Administration's unilateral decision to exit the Iranian Nuclear Deal.

The Presidency will also continue to capitalise the renewed commitments to Western Balkan enlargement and candidate countries, as well as greater partnership on youth employment, economic cooperation, and development in the region.

A test for the Romanian Presidency will be next year's **10th anniversary of the Eastern Partnership**, which Romanians will prioritise due to their close relationships with countries like Georgia, the Republic of Moldova and Ukraine.



RELEVANT DATES

9 May

European Council Summit, Sibiu

13-14 May

Foreign Affairs Council, Brussels

17 June

Foreign Affairs Council,
Luxembourg

The Romanian Presidency is also expected to prioritise supporting Europe as a stronger global actor in the EU's Common Security and Defence Policy (CSDP), by strengthening the Union's resilience in the face of hybrid/asymmetric conflicts. This includes promoting flagship programmes such as the **Coordinated Annual Review on Defence (CARD)**, **the European Defence Fund** and **the Permanent Structured Cooperation (PESCO)**. Romania is expected to continue strengthening the EU-NATO partnership, as well as supporting greater civilian crisis response capacity, better strategic communication, and a more integrated approach between Members States and with the EU's neighbours.

KEY WS CONTACTS

CHRISTIAAN GEVERS

DEYNoot

Manager

E: cgeversdeynoot@webershandwick.com

ADRIÁN GARCÍA-ESTEVE

Senior Associate

E: agarcia-estev@webershandwick.com

VIKTOR BORECKÝ

Associate

E: vborecky@webershandwick.com





SOCIAL POLICY AND LABOUR MOBILITY

RELEVANT DATES

15 March

Employment, Social Policy,
Health and Consumer Affairs
Council, Brussels

20 March

Tripartite Social Summit, Brussels

10-11 April

Informal Employment, Social
Policy, Health and Consumer
Affairs Council, Bucharest

16 April

Informal meeting of ministers of
culture, Bucharest

22-23 May

Education, Youth, Culture and
Sport Council, Brussels

13 June

Employment, Social Policy,
Health and Consumer Affairs
Council, Luxembourg

KEY WS CONTACTS

ROMINA GIOVANNETTI

Associate Director
E: rgiovannetti@webershandwick.com

THOMAS WORACK

Associate
E: tworack@webershandwick.com

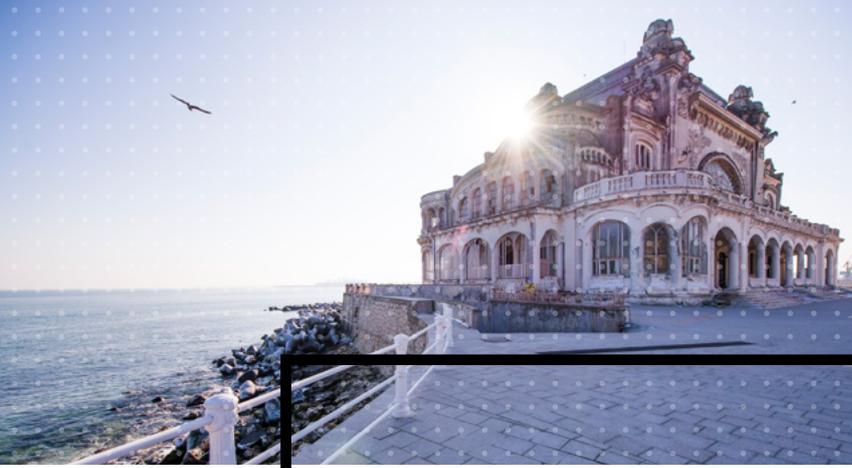
The Romanian Presidency is focused on achieving an inclusive and sustainable Europe. In terms of concrete policy priorities, this will translate into the areas of economic, territorial and social cohesion. For instance, goals include boosting employment across Europe, enhancing the current labour mobility framework, supporting health and safety at work and promoting gender equality.

There are several files to be finalised before the European Parliament elections in May. These include the proposed **Social Fairness Package**, under which Romania will attempt to finalise the establishment of a **European Labour Authority** to tackle undeclared work and eliminate technical barriers. The Romanians also want to amend Regulations on the **Coordination of Social Security Systems**, move forward with the **Written Statement Directive** enhancing transparency obligations for employers and revise the **Carcinogens and Mutagens Directive (third batch)** to ensure better protection for workers. Romania also has to wrap up the **EU-wide Accessibility Act**, (a provisional agreement was only recently achieved under the Austrian Presidency), and finalise discussions on the **Work-Life Balance** initiative.

Bucharest has emphasised that it wants to use its Presidency to promote a Europe of common values. Therefore, Romania will attempt to embed this principle within the framework of the **European Pillar of Social Rights**. Several Romanian policy-makers have endorsed the implementation of the Pillar's principles across different policy areas.

Also on the table are the budgetary dossiers concerning the financing of social policy, such as the **European Social Fund Plus (ESF+)**, the **European Globalization Fund (EGF)**, the **European Regional Development Fund and Cohesion Fund (ERDF/CF)** or the **Common Provisions Regulation (CPR)**, which are part of the new **Multiannual Financial Framework (MFF)**.





HEALTH

RELEVANT DATES

1 March

High-level conference on anti-microbial resistance, Bucharest

21-22 March

Joint meeting of Chief Medical, Dental and Nursing Officers, Bucharest

14-15 April

Informal meeting of Health Ministers, Bucharest

16 April

Meeting of health attachés, Bucharest

9-10 May

Vaccines Working Group, Cluj

29-30 May (TBC)

Workshop on cancer care, Bucharest

11-14 June

Conference on eHealth, Bucharest

14 June

Employment, Social Policy, Health and Consumer Affairs Council on Health, Luxembourg

The Romanian Presidency's work in health policy will build upon areas already covered by previous Presidencies, including **fighting anti-microbial resistance, enabling access to medicines and supporting cross-border patient mobility, improving vaccination rates and advancing digital health**. Romania's domestic experience has clearly influenced their EU priorities, given that the country has faced challenges ranging from drug-resistant "superbugs" and falling immunisation rates, to parallel trade of medicines and reference pricing causing drug shortages.

In recent years, the widespread usage of broad-spectrum antibiotics has increased significantly across EU Member States and Romania is no exception. In this context, the Romanian Presidency will host a **high-level conference** to discuss effective actions in addressing the excessive or inappropriate use of antimicrobials, as well as prevention measures against healthcare-associated infections. The Romanians are also expected to adopt **Council Conclusions to identify actions to prevent the rise of antimicrobial resistance**.

Moreover, the Presidency will focus on **tackling drug shortages** by narrowing the supply gap between EU countries. The Romanians will also look at access issues in relation to patient safety and high-quality healthcare. Romania would like Member States to exchange good practices and ideas on how to help patients exercise their rights under the Directive 2011/24/EU on **patients' rights in cross-border healthcare**.

Meanwhile, several EU and neighbouring countries are facing unprecedented outbreaks of vaccine-preventable diseases due to insufficient vaccination coverage. Romania will build upon the efforts of the Austrian Presidency **to improve vaccination coverage**, and as a result, reduce the impact and severity of vaccine-preventable diseases.



KEY WS CONTACTS

DANIELA NEGRI

Associate Director

E: dnegri@webershandwick.com

STÉPHANIE CHAUVET

Account Director

E: schauvet@webershandwick.com

In relation to ongoing legislative initiatives, an important dossier passed on to Romania is the proposal for a Regulation on **Health Technology Assessment (HTA)**, voted on by the European Parliament during the Austrian Presidency. Due to highly divergent perspectives between EU countries, the new Presidency will work hard to persuade Member States to reach a Council position on the text. The European Parliament is also expected to vote on a Commission proposal on a manufacturing waiver to the **supplementary protection certificate (SPC)** in January 2019. This will set the stage for Council negotiations led by Romania.

Finally, the Romanian Presidency will organise various events in the health policy field, including a **workshop on cancer screening and early detection of cancer**, and a **conference on eHealth** in the context of the Digital Days in Bucharest.





AGRICULTURE

RELEVANT DATES

28 January

Agriculture and Fisheries Council,
Brussels

18 March

Agriculture and Fisheries Council,
Brussels

15-16 April

Agriculture and Fisheries Council,
Luxembourg

14 May

Agriculture and Fisheries Council,
Brussels

3-4 June

Informal Agriculture and Fisheries
Council, Romania

18 June

Agriculture and Fisheries Council,
Luxembourg

Pushing ahead with the modernisation and simplification of the **EU's Common Agriculture Policy (CAP)** will be a key priority for the Romanian Presidency. The Romanians will take over during the latter stages of negotiations on the Multiannual Financial Framework (MFF) for the 2021–2027 period. They therefore have a key role to play in finalising negotiations on the **CAP budget post-2020**, needing to balance their own desire to maintain the CAP budget at the present level with their role as an EU mediator.

In particular, building on progress achieved by the Austrian Presidency, Romania could be tasked with steering the Council towards a Partial General Approach on the three Regulations that the Commission proposed in June 2018. These include **the CAP Strategic Plan Regulation**, the keystone of the reform package covering direct payments to farmers, rural development support and sectoral support programmes; **the CAP Horizontal Regulation** on financing, managing and monitoring the CAP; and **the CAP Amending Regulation**, which includes the Single Common Market Organisation and agri-food products quality schemes.

More generally on CAP, the Romanians are expected to steer discussions on innovation, research in agriculture and bio-economy, as this will be the topic of the Informal Council. Priorities in this area will include digitization of agriculture.

If the file is not finalised by the Austrian Presidency, the Romanians will also prioritise progress on the **Directive on unfair trading practices in the food chain**, which aims to strengthen agricultural producers' position in the food supply chain.



KEY WS CONTACTS

ROMINA GIOVANNETTI

Associate Director

E: rgiovannetti@webershandwick.com

JÚLIA SCHVARCOVÁ

Senior Associate

E: jschvarcova@webershandwick.com

The Presidency will also need to navigate the Council's work on a proposal for a **Regulation on the transparency and sustainability of the EU risk assessment in the food chain**, a response to the 2014 fitness check of the General Food Law. Here, the Romanians will aim to conclude negotiations with the European Parliament before the EU elections. The Romanian Presidency may also need to address the outcomes of the European Commission's regulatory fitness and performance (REFIT) programme on plant protection products and pesticides residues, which should be finalised early into its term.

More broadly, Bucharest will emphasise the importance of supporting rural development by maintaining financial support for the agricultural and food sectors, supporting small and medium-sized farms, promoting integrated food chains, raising young people's interest in the sector, and supporting research and innovation in agriculture.



If you would like any further information on these issues, please do not hesitate to get in contact with us:

LAURENT CHOKOUALÉ DATOU

Chairman, EU Public Affairs
lchokouale@webershandwick.com

MÓNICA VICENTE CRISTINA

Managing Director, Corporate and Public Affairs
mvicentecristina@webershandwick.com

We would like to warmly thank the Romanian Presidency team for their support and Minister Delegate for EU Affairs George Ciamba for contributing to this memo.

We wish them a successful Presidency.

Coordinator: Marina Carzol

Contributors: Viktor Borecký, Marina Carzol, Luis Cervilla, Laurent Chokoualé Datou, Nils Dressel, Christiaan Gevers Deynoot, Romina Giovannetti, Adrián García-Esteve, Méabh Maguire, Emanuele Manigrassi, Scott McCulloch, Daniela Negri, Megan Rowe, Júlia Schvarcová, Anna Tobur, Claudia Trivilino, Mónica Vicente Cristina, Thomas Worack

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